



# Maryland Department of Agriculture

*Office of the Secretary*

**Robert L. Ehrlich, Jr.**, Governor

**Michael S. Steele**, Lt. Governor

**Lewis R. Riley**, Secretary

**John R. Brooks, D.V.M.**, Deputy Secretary

The Wayne A. Cawley, Jr. Building  
50 Harry S. Truman Parkway  
Annapolis, Maryland 21401

Internet: [www.mda.state.md.us](http://www.mda.state.md.us)

*Agriculture | Maryland's Leading Industry*

410.841.5700 Baltimore/Washington

301.261.8106 Washington, D.C.

410.841.5914 Fax

800.492.5590 Toll Free

## **Maryland Department of Agriculture National Marketing Services Cooperative Agreement Report**

Final Report on FSMIP Cooperative Agreement # 12-25-G-0388:  
Increasing Sales of Agricultural Products to Wholesale Buyers  
in the Baltimore- Washington Metropolitan area

In the past two years, the Maryland Department of Agriculture has gone through several personnel changes and reductions which adversely affected our ability to finish this project as quickly as we had hoped. Nevertheless, we have accomplished a great deal including hosting two major farmer-grower events, developing some new materials and grower-buyer relationships, and encouraging the formation of several producer groups which are expected to increase sales of local products.

Project objectives and conclusions follow.

- 1. Identifying potential producers and the products they are looking to market.**
- 2. Identify interested wholesale buyers and present them with item availabilities for produce marketing opportunities.**

We have developed lists of 32 growers who are capable of and interested in selling wholesale, and 21 wholesale grocery operations who want to purchase local products, primarily fresh produce. In addition, we have been working with about 100 producers of other products including a group of livestock producers who want to supply local consumers, restaurants and grocery chains; a group of apple growers wanting to export their product; and Christmas tree growers.

- 3. Conduct educational events and produce relevant educational materials for project participants.**

### **A. Grower-Buyer Seminars**

Primarily for the fresh produce market, we conducted two Grower-Buyer Seminars. The first of these, held in the spring of 2004, opened with a luncheon hosted by the Maryland Secretary of Agriculture and attended by approximately 15 buyers and 15 members of the Department's senior management. At this event, the Secretary made clear his intent to support grocery buyers' procurement of the best available Maryland produce. Subsequently, growers heard the buyers' description of their companies' needs and requirements. Finally, each buyer was given a table and growers had the opportunity to meet individually with the buyers who best matched their interests. At the conclusion of the meeting and for several months thereafter, attendees reported that it was "the best thing the Department had ever done." Consequently, we scheduled a second meeting in January 2005. At this time, both growers and buyers reiterated their feeling that these events were extremely effective and had led to several new sales relationships.

To enlist as many growers as possible, statewide invitations were mailed out for both meetings. The USDA Maryland Agricultural Services compiled the names from their database and mailings for both meetings numbered over 500 each. The invitations were sent to every farm that had at least 10 acres and grew produce items. By utilizing the large quantity of farms, we were also able to produce a listing of Natural/Organic Food suppliers and buyers as well as Natural Co-Op stores.

In compiling the list of attendees, we asked each grower what they specifically produced and when it would become available for purchase. From these efforts, our "Grower Availability Listing" was created. It features every major grower in the State and what they produce. This listing was made available to every produce buyer in the mid-Atlantic area. It was also produced electronically on a disk, and sent whenever a buyers requests producer information. Additionally, as the season progresses the listing will be updated and sent to the buyers to assist them in sourcing needed items when they are locally available.

#### B. Livestock

In working to increase sales of various Maryland Agricultural products, we have worked closely with a Southern Maryland group of farmers who have formed together to research the feasibility of a slaughter unit. This group consists of farmers who raise grass-fed cattle, bison, goats, and rabbits. They are looking to have their various items processed locally where they can then market locally as well.

The team's efforts have researched a mobile slaughter unit and invited a non-profit organization, The Keystone Development Group, to assist the farmers. Keystone has created a business model, plans, and a cost feasibility study. The mobile unit report details the costs and feasibility of purchasing and operating a unit for all types of animals in Southern Maryland. At this point, the group's steering committee is seeking funding for a feasibility study and business plan.

#### C. Apple Growers

Some year back, Maryland had a large and profitable fresh apple industry. Recent changes, both locally and globally, have adversely impacted their prospects. They are interested in expending their exports to Central America and Western Europe, and approached neighboring states about joining their organizations. However, those states have declined to include the Maryland growers, so we initiated work to form a marketing co-op or Apple Marketing Board. This co-op would have added pricing and merchandising strength when competing against imported fruit, and might have sufficient volume to export as well.

However, within the last month another large orchard block was sold off, and it is likely that more may follow suit in the near future. Therefore, we doubt that the remaining growers will want to continue with the project.

#### D. Christmas Tree Growers

Activity has been initiated in working with the "Maryland Christmas Tree Association." In working with this organization, our team promoted Maryland grown trees with an entire campaign. The campaign included coordination with the Maryland Governor's office for the delivery of a "State Tree", and full Media Press Releases to coincide with the event. Also promotional cards were

created, announcing all the benefits of purchasing locally cut trees and how to care for them. The cards were distributed to growers and to consumers through various channels.

#### **4. Produce educational materials for producers as well as buyers.**

To educate growers, we created a PowerPoint presentation explaining how to go about selling into the wholesale market. This presentation explains what buyers in our area are looking for - both in product and in service (e.g., insurance and delivery requirements). The presentation designed for a large seminar organized by the Southern Maryland Agriculture Commission, but can be used for other events as well. In addition, we are in the process of adapting it as a booklet to be distributed to growers as needed.

We also developed a PowerPoint presentation to educate growers about the quality and availability of local produce, which was shown to several buyers and brokers including at the national headquarters of Giant in Boston. Buyers were generally surprised to learn about both the quantity and the variety of products available from local growers. This season Maryland growers are supplying a number of major grocery retailers in the Washington DC and Baltimore markets. We have created print materials which will be supplied to participating stores for them to use in reaching their customers. Additionally, we will run a "Maryland Grown Produce" Display contest. Every display submitting a photo will receive a recognition award of a cap. The top displays will receive awards for their participation in purchasing and promoting Maryland produce items.

#### **5. Formulate a business plan to guide future operations.**

As noted above, we are doubtful about the prospects for increasing Maryland apple sales. For Christmas tree growers, there is currently more interest in the consumer than the wholesale market, although that may change in the future.

The future of produce purchasing seems to include larger consolidating farms and processors. In realizing this ongoing trend, we have invited neighboring States to our meetings. We met with many growers and buyers from Pennsylvania, Delaware, and Virginia. The various Departments from the mid-Atlantic region are working together to ensure this regions buyers purchase as much locally grown product as possible. This enables us to provide area retailers with the materials they feel are most effective in selling local produce in their particular markets.

We have also seen an increase in growers' interest in broadening their market area. While many have previously focused on Maryland and neighboring states, more are considering markets across the US and Canada. We will attend the Canadian Produce Marketing Association show in Toronto in May, and the Produce Marketing Association show in Atlanta in November, and expect to have several Maryland growers at each event.

In addition, it is evident that in some cases independent brokers as well as grower-managed cooperatives or similar organizations can be a valuable asset to growers who are excellent producers but have not or do not wish to concentrate on the marketing, grading, transportation and other services required by today's market. We planned one workshop to address some of these issues, but it was postponed due to scheduling problems. We hope to reschedule it in the near future to increase grower knowledge and awareness of their options. We continue to feel that local produce has a solid future for Maryland growers, and that additional education and assistance to producers is beneficial.

Livestock production is gaining strength in Maryland. In addition to the group of small farmers we have been working with, there are several other groups and individuals currently working on increased production, primarily of high-end products. For this to be successful and profitable, we will need to develop a base of market information as well as infrastructure (such as slaughter and distribution capabilities). We expect to see a Value-Added Grant for a feasibility study to be requested from USDA shortly, which will provide much-needed information for future expansion of this industry segment.